

Message Text

UNCLASSIFIED

PAGE 01 VIENNA 03415 01 OF 02 281003Z

22

ACTION IO-13

INFO OCT-01 AF-08 EUR-12 ISO-00 ABF-01 HEW-06 HUD-02 L-03

FRB-01 OMB-01 ITC-01 SP-02 USIA-15 AGR-10 AID-05

CIAE-00 COME-00 EB-07 INR-07 LAB-04 NSAE-00 OIC-02

SIL-01 STR-04 TRSE-00 CIEP-02 CEA-01 ARA-10 EA-09

NEA-10 FEA-01 /139 W

----- 031734

R 280844Z APR 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 8432

INFO USMISSION USUN

AMEMBASSY DAKAR

UNCLAS SECTION 1 OF 2 VIENNA 3415

E.O. 11652: N/A

TAGS: UNIDO, OCON, EAID, EIND, ECIN, PFOR, PORC

SUBJECT: UNIDO INDUSTRIAL DEVELOPMENT BOARD TENTH SESSION,
DELEGATION REPORT NO. 2, AGENDA ITEM 4: GENERAL DEBATE

REF: VIENNA 3363 (NOTAL)

1. SUMMARY: GENERAL DEBATE CONTINUED APRIL 22 WITH STATEMENTS BY TEN GOVERNMENTS AND BY THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC) AND THE INDUSTRIAL DEVELOPMENT CENTER FOR ARAB STATES (IDCAS). DESPITE WIDELY DIVERGENT VIEWS ON SPECIFIC UNIDO ISSUES, ALL NATIONS WHETHER EAST, WEST, MARKET ECONOMY, SOCIALIST ECONOMY, NORTH, SOUTH, OIL PRODUCING, OR LEAST DEVELOPED WERE VIRTUALLY UNANIMOUS IN THE FREQUENTLY EXPRESSED AND REALISTIC VIEW THAT INDUSTRIAL DEVELOPMENT DEPENDS FIRST AND FOREMOST UPON NATIONAL ACTIONS. THE ISSUES UNDER DEBATE WERE THEREFORE ISSUES ABOUT THE NATURE OF UNIDO'S MARGINAL BUT HIGHLY DESIRABLE ASSISTANCE TO NATIONAL, AND IN SOME CASES REGIONAL, INDUSTRIAL DEVELOPMENT EFFORTS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 VIENNA 03415 01 OF 02 281003Z

LEADING ISSUES INCLUDED A) THE APPROPRIATE EMPHASIS

BETWEEN OPERATIONAL OR INTELLECTUAL UNIDO ACTIVITIES,
B) THE ROLE OF THE UNIDO INTERNATIONAL CENTER FOR
INDUSTRIAL STUDIES (ICIS), C) THE NATURE OF THE
PROPOSED CONSULTATIONS FOR RELOCATION OF INDUSTRIAL
FACILITIES, D) THE NEED FOR A NEW INTERNATIONAL
ECONOMIC ORDER OR THE FEASIBILITY OF MODIFYING
PRESENT PRODUCTION AND TRADE PATTERNS TO INCREASE
BENEFITS FOR THE PEOPLES OF THE DEVELOPING COUNTRIES,
E) FUTURE FINANCING OF UNIDO THROUGH THE UN DEVELOPMENT
PROGRAM (UNDP) AND/OR THE INDUSTRIAL DEVELOPMENT FUND
(IDF), AND F) PROGRESS TOWARD SPECIALIZED AGENCY STATUS.
END SUMMARY.

2. FRENCH DEL (JEAN DE LA CHEVARDIERE DE LA
GRANDVILLE) GAVE STATISTICAL EXPRESSION TO THE POINT THAT
UNIDO IS ONLY A SMALL SUPPLEMENT TO NATIONAL EFFORTS BY
QUOTING THE 1975 REPORT OF UNIDO EXECUTIVE DIRECTOR
TO THE EFFECT THAT DEVELOPING COUNTRIES SPENT SEVEN HUNDRED
FIFTY TIMES MORE ON THEIR OWN INDUSTRIALIZATION THAN DID
UNIDO. BOTH TANZANIAN AND KUWAITI DELS EMPHASIZED SELF-
RELIANCE WHILE KUWAIT DEL (DABBAGH) ADDED THIS DOES NOT
EXEMPT DEVELOPED COUNTRIES FROM SHOULDERING PROPER
RESPONSIBILITIES.

3. A. OPERATIONAL AND/OR INTELLECTUAL ACTIVITIES:
NORWAY (HJELDE) UNEQUIVOCALLY STATED OPERATIONAL
ACTIVITIES SHOULD CONTINUE TO BE HEAVY PRIORITY OF
UNIDIO WHILE SWISS DEL (DUNKE) TOOK POSITION IN
GENERAL DEBATE MUCH LIKE U.S., I.E., DUNKEL SAID UNIDO
"THINK TANK" SHOULD ANALYZE STRATEGIES AND POLICIES
WHICH WOULD BE USEFUL IN ENHANCING SPECIFIC FIELD ACTIVITIES.
OAPC SPOKESMAN (CHANDERLI) ADVOCATED BOTH OPERATIONAL
AND INTELLECTUAL ACTIVITIES BY UNIDO IN COOPERATION WITH
OAPC, OPERATIONAL IN SECTORS OF PETRO-CHEMICALS AND
FERTILIZERS, HARBORS, SHIP-BUILDING, MARKETING, MANAGEMENT,
TRANSPORT, AND ESPECIALLY THE PRODUCTION OF PROTEIN
FROM PETRO-CHEMICALS. ON A SEPARATE TACK, CHANDERLI
PROPOSED THAT UNIDO STUDY SOCIAL AND PSYCHOLOGICAL EFFECTS
OF RAPID INDUSTRIALIZATION, CONSEQUENT POPULATION PROBLEMS
INCLUDING MIGRATION, AND HAZARDS OF THE TRANSITION FROM
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 VIENNA 03415 01 OF 02 281003Z

AGRARIAN TO URBAN LIFE.

4. B. INTERNATIONAL CENTER FOR INDUSTRIAL STUDIES:
MOST DELS, INCLUDING U.S., EXPRESSED OPTOMISM ABOUT
CONTRIBUTION WHICH INTERNATIONAL CENTER FOR INDUSTRIAL
STUDIES (ICIS) WOULD MAKE. TANZANIA AND KUWAIT SPEJCIFICALLY
ANTICIPATED THE INFORMATIONAL FOUNDATION WHICH ICIS
WOULD PROVIDE FOR LATER CONSULTATIONS (THIS VIEW IS

CONSISTENT WITH THE OUTLOOK OF ICIS DIRECTOR, AZMI AFIFI).

5. C. CONSULTATIONS ON RELOCATION OF INDUSTRY:
VIEWS ON THE USERFULNESS OF CONSULTATIONS RANGED FROM
CAUTIOUS TO HOPEFUL AND IDENTIFIED THE APPROPRIATE
PARTIES TO PARTICIPATE AS EXCLUSIVELY PRIVATE (U.S.)
THROUGH MIXED (SWITZERLAND, TANZANIA, ITALY AND NORWAY)
TO EXCLUSIVELY GOVERNMENTAL (HUNGARY AND POLAND). NO
DELEGATE COMPLETELY EXCLUDED NATIONAL PARTICIPATION,
BUT NEITHER DID ANY DELEGATE ACCEPT THE SECRETARIAT'S
PROPOSED ARRAY OF NEW CONSULTATIVE MACHINERY. MOST
DELEGATES, IN FACT--INCLUDING ENTHUSIASTIC ADVOCATES
OF CONSULTATIONS--ROUNDLY CRITICIZED THE
"MAXIMALIST STRUCTURAL APPROACH" (NORWAY),
"INFLATED ADMINISTRATIVE MACHINERY" (FRANCE), AND
A "RIGID FORMAT" (INDIA JOINED BY AN UNENTHUSIASTIC ITALY).

6. NORWAY (HJELDE) WAS VERY EXPLICIT IN QUOTING A RECENT
PARLIAMENTARY WHITE PAPER ENDORSING A NEW INTERNATIONAL
ECONOMIC ORDER BASED ON GREATER GOVERNMENT REGULATION
TO CORRECT THE WIDENING GAP BETWEEN RICH AND POOR
COUNTRIES WHICH, HIS GOVERNMENT BELIEVED, WAS THE RESULT
OF THE FREE MARKET MECHANISM. IN SPITE OF TAKING THIS
IDEOLOGICAL POSITION, WHEN IT CAME TO DISCUSSING THE
PROPOSED SYSTEM OF CONSULTATIONS ON REDEPLOYMENT OF
INDUSTRY, HJELDE POINTED OUT THE LIMITED POWERS OF MANY
GOVERNMENTS TO INFLUENCE PRIVATE INDUSTRY DECISIONS AND

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 VIENNA 03415 02 OF 02 281010Z

12

ACTION IO-13

INFO OCT-01 ISO-00 ABF-01 HEW-06 HUD-02 L-03 FRB-01 OMB-01

ITC-01 SP-02 USIA-15 AGR-10 AID-05 CIAE-00 COME-00

EB-07 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04

TRSE-00 CIEP-02 CEA-01 AF-08 ARA-10 EA-09 EUR-12

NEA-10 FEA-01 /139 W

----- 031859

R 280844Z APR 76

FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 8433
INFO USMISSION USUN
AMEMBASSY DAKAR

UNCLAS SECTION 2 OF 2 VIENNA 3415

CONCLUDED THAT ONLY SCALED-DOWN, SECTOR-ORIENTED
CONSULTATIONS COULD ACHIEVE A VIABLE CONSENSUS AT THIS
JUNCTURE.

7. D. REFORM OR A NEW INTERNATIONAL ECONOMIC ORDER:
A NEW INTERNATIONAL ECONOMIC ORDER, LIKE THE LIMA
DECLARATION AND PLAN OF ACTION, IS GIVEN KNEE-JERK
LIP-SERVICE BY VIRTUALLY ALL MEMBERS OF THE GROUP OF
77 AND GROUP D AND BY SOME MEMBERS OF GROUP B. DURING
GENERAL DEBATE THE TANZANIAN DEL WAS THE MOST EXPLICIT
IN REJECTING THE ULTIMATE EFFICACY OF SUCH REFORMS
OF THE "OLD ECONOMIC ORDER" AS THOSE INITIATED OR
ACCELERATED BY THE UN GENERAL ASSEMBLY SEVENTH SPECIAL
SESSION WHICH WERE MOST STRONGLY EMPHASIZED IN GENERAL
DEBATE BY THE U.S. AND JAPAN. WHILE TANZANIAN DEL
EXPRESSED MODERATE VIEWS IN PRIVATE CONVERSATION,
IN GENERAL DEBATE HE EXPATIATED THEORY OF UNCTAD PREBISCH -
ORIGIN I.E. THE THEORY OF DECLINING RAW MATERIALS
PRICES AND INCREASING MANUFACTURED GOODS PRICES WHICH
HE SAID EVEN THE SO-CALLED "OIL CRISIS" HAD NOT REVERSED.
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 VIENNA 03415 02 OF 02 281010Z

INDIAN REP (RAMAN) IDENTIFIED MANY OF UNIDO'S PROGRAMS
AS CONTRIBUTIONS TOWARD ACHIEVEMENT OF A NEW INTERNATIONAL
ECONOMIC ORDER IN WHICH THE DEVELOPING COUNTRIES WOULD
PRODUCE 25 PERCENT OF THE WORLD'S INDUSTRIAL GOODS.

8. DELS FROM GROUP D (EASTERN EUROPE) EQUATE THE
NEW INTERNATIONAL ECONOMIC ORDER WITH AN IMITATION
BY DEVELOPING COUNTRIES OF THEIR NATIONAL SYSTEMS OF
CENTRAL PLANNING LINKED TOGETHER IN A GLOBAL EXTENSION
OF THE EXPERIENCE OF THE COUNCIL FOR MUTUAL
ECONOMIC ASSISTANCE (CMEA). OBSERVER FROM HUNGARY
(SOEMJEN) OPINED THAT RECENT ECONOMIC CRISIS IN
CAPITALIST COUNTRIES HAD ADVERSELY AFFECTED DEVELOPING
COUNTRIES BUT BOTH SOEMJEN AND POLISH DEL (KARSKI) DIRECTED
SHARPLY CRITICAL WORDS ONLY TOWARD THE PRC. BOTH
PRAISED SPIRIT OF DETENTE AND KARSKI ACCUSED THE CHINESE
REP (YU PEI-WEN) OF CONSIDERING DESIRABLE THE INCREASING
POSSIBILITY OF WAR WHICH YU PEI-WEN HAD FORESEEN IN HIS
GENERAL DEBATE STATEMENT.

9. SEVERAL SPEAKERS INCLUDING KUWAITI DEL AND IDCAS REP

VIEWED DAKAR MEETING WHICH OPENED APRIL 20 TO PREPARE FOR ARAB-AFRICAN HEADS-OF-STATE SUMMIT MEETING AS WATERSHED IN STRUCTURE OF GLOBAL ALLIANCES.

10. KUWAIT SPOKESMAN REPORTED THAT MORE THAN SEVEN PERCENT OF KUWAIT GNP IN 1974 WAS GIVEN IN AID TO OTHER DEVELOPING COUNTRIES AND URGED OLDER INDUSTRIALIZED COUNTRIES TO ACT BRAVELY TO HELP RECTIFY INEQUALITIES OF PER CAPITA INCOMES. FRANCE REGRETTE THE UNBALANCED DISTRIBUTION OF INDUSTRIAL FACILITIES BETWEEN NATIONS AND ECHOED SWEDEN IN URGING ALL DEVELOPED COUNTRIES TO ACHIEVE THE SEVEN TENTHS OF ONE PERCENT OF GNP TARGET OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA).

11. E. UNDP AND/OR IDF FINANCING:
DELS FROM JAPAN AND NORWAY TOOK A POSITION SIMILAR TO THAT OF THE U.S., VIZ., THE APPROPRIATE REMEDY FOR PRESENT UNDP COUNTRY PROGRAM SHORTFALLS IS INCREASED SUPPORT FOR UNDP. FRENCH DEL ENCOURAGED BOTH UNDP AND UNCLASSIFIED

UNCLASSIFIED

PAGE 03 VIENNA 03415 02 OF 02 281010Z

DIRECT VOLUNTARY CONTRIBUTIONS, WHILE SWISS DEL COMMITTED HIS GOVERNMENT TO CONTINUED SUPPORT OF BOTH UNDP AND EARMARKED VOLUNTARY CONTRIBUTIONS DIRECTLY TO UNIDO. ITALIAN DEL HINTED ITALY MIGHT FOLLOW SWITZERLAND DOWN THE FUNDS-IN-TRUST ROUTE OF DIRECT VOLUNTARY CONTRIBUTIONS FOR SPECIFIED PROJECTS. INDIAN AND TANZANIAN DELS PINNED MORE HOPE ON A NEW INDUSTRIAL DEVELOPMENT FUND (IDF), WHILE ITALIAN DEL (PENSA) RECALLED THE EXECUTIVE DIRECTOR'S STATEMENT TO THE IDB THAT THE GROUP OF EXPERTS REPORT ON THE RESTRUCTURING OF THE UN ECONOMIC AND SOCIAL SYSTEM OPPOSED PROLIFERATION OF FUNDS AND WARNED OF THE RISKS OF STARTING UP AN IDF TOO SOON.

12. F. SPECIALIZED AGENCY STATUS:
SWISS, POLISH, AND INDIAN DELS EXPRESSED HOPES THAT THIRD SESSION OF INTERGOVERNMENTAL COMMITTEE OF THE WHOLE (IGC) ON CONVERTING UNIDO INTO A SPECIALIZED AGENCY WOULD MAKE MORE PROGRESS THAN THE FIRST TWO SESSIONS THUS ALLOWING PLENIPOTENTIARY CONFERENCE TO MEET ON SCHEDULE BEFORE END OF 1976. NORWAY DEL CONCLUDED THAT THE MANY OUTSTANDING DIFFERENCES COULD ONLY BE RESOLVED BY POLITICAL WILL OF ALL PRESENT MEMBERS OF UNIDO TO JOIN THE NEW SPECIALIZED AGENCY. ITALIAN DEL (PENSA) TOOK MORE DETACHED APPROACH THAT THE IGC SHOWED SMALL EVIDENCE OF SUCCEEDING. HE ADDED THE OBSERVATION THAT THE CONVERSION TO SPECIALIZED AGENCY STATUS WOULD BE A MEANS TO PROPITIATE THE ORIGINAL SIN OF UNIDO, VIZ., THE FRACTURING OF PROGRAM AND BUDGET POLICY

DIRECTION. PENSA GAVE AS AN EXAMPLE THE CURRENT
SITUATION IN WHICH THE IDB WILL EXAMINE THE 1977 BUDGET
A ENTIRE YEAR BEHIND SCHEDULE AND ONLY A FEW DAYS
BEFORE FIFTH COMMITTEE EXAMINATION, THUS VIRTUALLY
ELIMINATING THE POSSIBILITY OF MAJOR REVISION
IF MEMBER GOVERNMENTS WERE SO INCLINED. STIBRAVY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL DEVELOPMENT, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976VIENNA03415
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760161-0044
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760412/aaaaajvw.tel
Line Count: 283
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 VIENNA 3363
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by ellisoob>; APPROVED <31 JAN 2005 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNIDO INDUSTRIAL DEVELOPMENT BOARD TENTH SESSION, DELEGATION REPORT NO. 2, AGENDA ITEM 4: GENERAL DEBATE
TAGS: OCON, EAID, EIND, ECIN, PFOR, PORG, UNIDO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006